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Comptroller

8 JAN 1959

Chief, Audit Staff

Questions Raised by Auditor [REDACTED]

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25X1A6a The following questions have been submitted to this office by the auditor at [REDACTED]. As the questions are technical and general in nature, the views of the Comptroller are requested by this office. In those matters in which the Office of Logistics is interested, it is suggested that they be coordinated with that office prior to submission of the reply to this office.

25X1A6a (a) [REDACTED] Audit Report dated 20 December 1957 requested Headquarters

25X1A6a to consider changing [REDACTED] from an accountable station to a

25X1A6a detached station or to make it directly responsible to the

Logistics Office of [REDACTED] Station. The answer to this action

requested of Headquarters, contained in [REDACTED] dated

8 May 1958 (paragraph 3), stated: "As of 6 December 1957,

[REDACTED] adopted the Class "B" Accounting system, changing it

from an Accountable Station to a Detached Station." As far as

we can determine, the fact that a Station uses a Class "B"

accounting system does not automatically change its logistical

reporting function. Further, [REDACTED] was never advised by

Headquarters that they were to adopt the Detached Station Supply

Procedures. As a result of the above, [REDACTED] is still operat-

ing as an accountable Base while the parent Station [REDACTED] is

reporting as a Detached Station. In our current Audit Report we

recommended that [REDACTED] Station become an Accountable Station

and that [REDACTED] become a Memorandum Receipt Account of [REDACTED]

Station. We would like clarification of the situation as stated

above and also to know if Headquarters did in fact intend to

change [REDACTED] to a Detached Station. If this is so the Base should

be notified to that effect. If the situation has not yet been de-

termined regarding the entire [REDACTED] Station set-up, may we suggest

Headquarters take into consideration our recommendation in the cur-

rent [REDACTED] Station Audit Report on this matter.

(b) We have been queried by some of the Stations as to the necessity of having on file, for each set of quarters leased under [REDACTED] both a "Declaration of Trust" and an "Agreement of Responsibility" relating to the same piece of property. We ourselves feel that one or the other would be sufficient if either were expanded to include pertinent details of both. We realize that the Declaration of Trust does have the effect of protecting both the government and the individual while acknowledging bona fide government interest in

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an ostensible personal transaction and as such appears to be a necessary document. However, as far as the agreement of responsibility is concerned, it would seem that insofar as the lessees of property are concerned their responsibility in this regard is no less than their normal responsibility in the care and treatment of other government property or property furnished by the government. Further, the individuals concerned are government employees and, as such, subject to disciplinary or other action in any instance of improper use of government property or facilities furnished. If a written agreement setting forth individual responsibility regarding quarters furnished is required, could not the existing Declaration of Trust be expanded to also provide for this acknowledgement of responsibility?

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- (c) In some countries in this area it is customary to record rental payments on original copies of leases. Under [REDACTED] the Station accountable/responsible officer is required to hold in each house file the signed original copy of the lease. This requires the individuals to pick up their lease each time the rent is paid in order that the payment can be recorded thereon in satisfaction of local custom. Frequently the leases do not find their way back to the responsible officer promptly. Consequently, very often in our examination of housing records, leases are missing from the files. We have been accepting a memorandum in the house files which attests to the fact that the lessee has the lease out in order to permit recording of rental payments. We have been discussing among ourselves the possibility of having the regulations changed to allow the acceptance, for audit purposes, of a document which briefs the provisions of the lease (payment dates, term of lease, etc.) and a statement signed by the lessee that he is in possession of the original signed lease and that the provisions as stated in the document are the same as those of the original lease. This document would allow the original lease to be held by the lessee and would eliminate the necessity of individuals having to pick up the same each time rent falls due. Further, it would assure us of always having a document on file with which to conduct our audit of expenses arising from lease agreements.

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- (d) At [REDACTED] Station there was an advance on the books in the amount of \$537.84 charged to [REDACTED] the Station Finance Officer. The advance represented [REDACTED] for the advance return of [REDACTED] dependent mether-in-[REDACTED] transaction was approved in accordance with provisions of [REDACTED] (paragraph 7d(1)(d)) and the repayment agreement required was properly executed. Our question is partly concerned with the due date of the advance which in this case is 30 June 1960. While we fully understand the necessity for such a due date, the question arises of the advisability of carrying an advance on field station books for so long a period of time.

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We feel that it would be right and proper to immediately T/A the advance to Headquarters where perhaps special accounts covering similar long term advances are already in existence. Our reasoning is based on the fact that in any event the advance concerned will eventually be T/A'd to Headquarters either upon completion of the employee's tour or upon his departure date if he does not complete his tour. In any case the employee's claim, which would include dependent travel if employee completes his tour, or the repayment of the advance, in the event of failure to complete his tour, would be made at Headquarters. In light of this we feel that Headquarters, with its wider range of accounts, is in a better position to carry an advance of this type which in all cases will be accounted for at that location. We would like to be able to advise the Station to T/A this and any future advances of this nature to Headquarters along with all pertinent data including the employee's repayment agreement.

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